

The Congressional International Anti-Piracy Caucus

Senator Gordon H. Smith, Co-Chair
Senator Joseph R. Biden, Jr., Co-Chair



Congressman Bob Goodlatte, Co-Chair
Congressman Adam B. Schiff, Co-Chair

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NEW GLOBAL SOFTWARE PIRACY STUDY RELEASED

Dear Colleague,

As co-chairs of the Congressional International Anti-Piracy Caucus, we are pleased to bring to your attention an annual study of global trends in software piracy which was released today by the Business Software Alliance (BSA). Key findings of the study revealed that the total software installed on computers worldwide in 2003 was worth \$80 billion but only \$51 billion of that software was paid for, meaning that the total packaged software loss worldwide in 2003 was \$29 billion. Thus, the global software piracy rate – i.e., the percentage of software worldwide that was not legitimately purchased – was 36%.

According to the study, the top software pirating countries are China and Vietnam, both with software piracy rates of 92%, followed by the Ukraine (91%), Indonesia (88%), Zimbabwe (87%) and Russia (87%). The top 5 countries with the *lowest* software piracy rates are the United States (22%), New Zealand (23%), Denmark (26%), Austria (27%) and Sweden (27%).

Highlights from the study include:

- The piracy rate in the Asia/Pacific region was 53%, with dollar losses totaling more than \$7.5 billion.
- In Eastern Europe, the piracy rate was 71%, with dollar losses at more than \$2.1 billion.
- In Western Europe, the rate was 36% and the dollar losses totaled \$9.6 billion.
- The average rate across Latin American countries was 63%, with losses totaling nearly \$1.3 billion.
- In the Middle Eastern and African countries, the rate was 56% on average, with losses totaling more than \$1 billion.
- In North America, the rate was 23%. Losses totaled more than \$7.2 billion.

America is the world's largest creator, producer and exporter of copyrighted materials. Unfortunately, this vibrant sector of the U.S. economy is at great risk due to widespread piracy—the unauthorized reproduction, distribution and sale of U.S.-made software and other copyrighted works. An explosion in piracy and a diminution in copyright protection have resulted in a virtual evisceration of the legitimate market for American copyrighted works in many countries.

As Members of the House and Senate with a strong interest in protecting American intellectual property and reducing the crime of piracy abroad, we applaud the completion of this insightful study on global software piracy and we look forward to working with our international trade partners to secure the enactment of strong copyright laws and the vigilant enforcement of those laws.

For a complete copy of the global software piracy study, go to www.bsa.org/globalstudy.

Sincerely,

Senator Joseph R. Biden, Jr.

Senator Gordon H. Smith

Rep. Bob Goodlatte

Rep. Adam B. Schiff